



PROTECTED A

For information

## **SELF INITIATION OF A DUMPING INVESTIGATION CONCERNING CERTAIN CONCRETE REINFORCING BAR**

For the Minister

### **PURPOSE**

To provide information with regards to the CBSA's decision to initiate, on its own initiative, a dumping investigation concerning certain concrete reinforcing bar from Oman and Russia (collectively the "subject countries").

### **ISSUE**

On December 4, 2020, the Canada Border Services Agency (CBSA) is initiating an investigation, on its own initiative, under subsection 31(1) of the *Special Import Measures Act* (SIMA) respecting the alleged injurious dumping of the above mentioned goods.

Concrete reinforcing bar (commonly known as "rebar") is used almost exclusively in the construction industry to provide reinforcement to concrete and masonry structures.

A preliminary determination regarding dumping will be made within 90 days of the initiation of the investigation, i.e., by March 4, 2021.

### **BACKGROUND**

The Canadian industry has the legislated right to be protected from unfairly priced imports, including goods that have been dumped. Dumping occurs when goods are sold to importers in Canada at prices that are less than their selling prices in the exporter's domestic market or at unprofitable prices.

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The CBSA has received allegations that imports of rebar originating in or exported from Oman and Russia have been dumped, have caused injury and are threatening to cause injury to Canadian producers of rebar. The CBSA has conducted its own independent research and analysis. The information available substantiates the allegations that the subject goods originating in and exported from the subject countries have been dumped and that this dumping has caused injury and is threatening to cause injury to the domestic industry. Thus, the CBSA, on its own initiative, is initiating an investigation. The CBSA normally initiates investigations in response to written complaints, however self-initiations are permitted under SIMA. Initiating this investigation on its own initiative will demonstrate that the CBSA is responsive to changes in the marketplace and that Canada's trade-remedy system is effective.

The Canadian market for rebar has been estimated at approximately \$1.3 billion annually.

There are two existing measures in force regarding the dumping of rebar from various other countries including China,<sup>1</sup> South Korea and Turkey (known as Rebar I) and from Belarus, Chinese Taipei, Hong Kong, Japan, Portugal and Spain (known as Rebar II). There is also an ongoing investigation regarding the dumping of rebar from Algeria, Egypt, Indonesia, Italy, Malaysia, Singapore and Vietnam (known as Rebar III). The CBSA expects strong participation in the present investigation by all parties involved.

## STATUS

The CBSA is legally mandated by SIMA to provide notification to stakeholders at the initiation of the investigation. Decisions of this type are generally reported in financial and trade publications, but coverage is usually factual in nature.

## NEXT STEPS

Once the investigation is initiated, the Canadian International Trade Tribunal (CITT) will conduct a preliminary injury inquiry into whether the evidence discloses a reasonable indication that the dumping of the subject goods has caused injury to the domestic industry and will render a preliminary finding on injury by February 2, 2021. If the CITT concludes that the evidence does not disclose a reasonable indication of injury, the investigation will be terminated.

The CBSA will conduct the investigation into the question of dumping and will render a preliminary decision within 90 days of the initiation of the investigation, i.e., by March 4, 2021. Exporters and producers in the subject countries as well as vendors and importers of the subject goods will be given an opportunity to provide information to the CBSA in the course of the investigation.

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<sup>1</sup> There is also a measure in force regarding the subsidizing of the goods from China.

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If it is determined that the subject goods are being dumped, and there is a preliminary injury finding, provisional duty will be applied on imports of subject goods pending a final decision.

Please note that I am available to discuss, or have CBSA officials brief your staff, at your convenience.

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John Ossowski  
President

c.c.: Mr. Rob Stewart, Deputy Minister  
Public Safety Canada